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Telcon
Secretary Kissinger
Jack Anderson
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RELEASED IN FULL

K: Hello, how are you Mr. Anderson?

A: Fine. You have been very busy and it is wonderful that you have a moment. I have some documents that tell of a conversation that you had with Jobert -- my pronunciation is bad.

K: With who?

A: The French Foreign Minister.

K: Jobert.

A: Jobert.

K: Yeah.

A: This -- well, I will read you portions of it. The meeting began with Kissinger briefing Jobert on the Middle East trip he had just completed. This goes back to -- this meeting occurred on December 19, 1973.

K: Yeah.

A: Jobert then raised the oil problem and made two points. First, Jobert could not understand the American Government's attitude toward the Shah of Iran. It was clear, he said, that the Shah was going to push for another major oil price increase by exploiting the current embargo, induce shortage and yet the United States acted as if it considered the Shah to be a friendly country with a same interest. Jobert told Kissinger to be careful, calling attention to the \$22 - \$23 a barrel auction prices that the American independent oil companies have recently paid. Jobert warned the Secretary of State that these artificial prices would be used as a pretext to justify higher overall OPEC prices. Second, Jobert told Kissinger that the French Government agreed with the US Government about the need for oil consumer cooperation. Such cooperation, he said, should be kept within the OECD framework, that is creating a new multilateral framework for oil would not bring additional leverage but it would only appear confrontational to the producers. Kissinger however seemed to -- Kissinger however underestimated the economics and overestimated the Middle East political problem in the terms of time sensitivity according to Jobert. Oil prices were more immediately vital to the French. So they were more central(?) oriented than conflict oriented. Does this conversation sound accurate? This is a Government paper.

K: I just -- you know, I just can't remember that. I would have to check my records. And, you know, I would caution against drawing too sweeping conclusions from it because Jobert was not particularly our friend. And

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he was working to undermine us all over the Middle East at that time. Uh, I am talking to you off the record incidentally.

A: Sure. Well, the paper goes on to suggest -- and this is why it struck me as completely different than anything that I had heard before -- it goes on to say that the French wanted to hold the line against the oil prices. Their subsequent action was a reaction to our failure to do so.

K: That's total nonsense. We have been resisting the oil prices -- the oil price increased consistently and the French refuse to cooperate with us in the International Energy Agency and made a whole series of separate deals.

A: Well, there is even a charge here that they offered to join us in military intervention.

K: Oh, that is totally -- that is totally -- that, I know, is total nonsense.

A: I will read it exactly the way it said: they raised the issue of joint US military action -- just raised the issue -- references to this French proposal were made at the Embassy level and were reflected in the cable traffic. I don't have the cable traffic -- what I have is a summary of it that comes from the State Department or from people in the State Department.

K: Well, look, Mr. Anderson, it is a very, very complicated issue.

A: I am sure that it is and . . .

K: I have read some of your columns on the Shah and it's -- it depends on a lot of assumptions, like you crack the oil cartel by means of the Shah or whether you keep the Shah off the oil cartel as much as you can for other reasons. Uh, and these are complicated questions of judgment but this conversation, even if possibly would turn out to be true, which I can't confirm -- I'll have to look to see whether I can find a copy of this memo or an equivalent of it. Because you know, some of it sounds plausible to me.

A: This call is because I wanted you to know exactly what I've got. This information was made available to the Senate Foreign Relations Committee and my sources are over there.

K: But by whom?

A: Uh . . .

K: Basically the French position -- I mean, if the French offered consumer cooperation there was always some sort of a gimmick to it.



A: I see.

K: So I would have to know what exactly they offered because I am sure I will be able to explain to you that it had no practical significance because whenever we try to tie them down to something specific they absolutely refuse. And at a time when we were facing an embargo for us to take on the Shah who was our only supplier of oil in that area was not the most intelligent thing to do.

A: Senator Church has contended privately according to the sources -- this isn't in the papers but I talked to the people up there -- he has contended that it has been a one-way street with the Shah, that we have done -- we have gone along with the price increases and we are paying these exhorbetent prices and he doesn't do anything for us. We give him arms, we give him . . .

K: Yeah, but why would we do that now, Mr. Anderson, I mean . . .

A: Because of the geopolitics, I would think.

K: Well the geopolitics are not irrelevant and it's not irrelevant to have one country that won't join an embargo and that might be available in case of a Middle East conflict but that is not the only consideration. I will be glad sometime to explain our oil strategy to you and I think at least you will understand what we are trying to do. You can disagree with it after I have done that.

A: I would like to do that.

K: But it is not -- you know, this town is sick right now. There are a lot of people in the whole mosaic and I speak to you frankly because I know you are a decent man who uses whatever information he gets as fairly as you know how or you wouldn't be calling me.

A: I try. And I . . .

K: No, no, . . .

A: And if I am wrong it is not because I didn't try.

K: No, no, I know that. But you know -- a lot of people -- it is easy in a mosaic way -- where you have hundreds of conversations in a six month period. To pick out one and give it a little twist and hoist it on even a serious newspaper man who may not know all the details of what was going on.

A: Uh . . .

K: You look at December 1973, you didn't have a single disengagement agreement



yet there was a high possibility that the Middle East war would blow up again. We were under an embargo from all of the OPEC countries -- ah, the Arab countries, we had the Europeans trying to make special deals. We didn't even have to be kidding of a structure of a consumer cooperation. You have to look at our strategy in the light of that period.

A: I agree. It must be kept in context.

K: And not wanting to add Iran to the embargoing countries is not the worst -- is not a senseless judgment.

A: Uh-huh.

K: At that time. Now at the present time it is a more -- there are other complications which I will be glad to explain to you sometime.

A: Well, I think that I see part of it but I would be delighted at your convenience to get a briefing and . . .

K: Well, why don't you come in next week sometime for a half hour.

A: If I may I would like to.

K: And I'll just explain to you -- because that is perfectly above board what we are trying to do.

A: Uh-huh. Now, if I use anything from this at all can I use the -- because there is this outright statement about military - joint military action.

K: That I just . . .

A: Can I ~~XXXXXX~~ quote you as saying that is total nonsense if I decide?

K: You can quote me as saying that is total nonsense.

A: And the rest I don't quote you at all on.

K: Right.

A: Okay, wonderful, and I would love to come over next week.

K: Thank you.

A: Many thanks.

K: Bye.